

procedure of reconciliation—which was designed to lower the deficit, not raise it. These tax cuts will undermine the cuts that the bill is making today to critical spending programs and will add an additional \$31 billion to the deficit. This is irresponsible. It's just another example of how the President and his allies in Congress have the wrong priorities, and not the best interest of America, at heart.

What is most frustrating is the knowledge that the final budget will likely be even worse than what we pass in the Senate. The House of Representatives plans to cut \$50 billion in critical services, including student loans, food stamps, child support enforcement, foster care, and health care. Again, these cuts will not go to lowering the deficit. Instead, they will finance another round of tax cuts at a time when we also have staggering energy costs, a war in Iraq, many unfunded education needs, an exploding population of seniors, and an unprecedented relief and rebuilding effort stemming from Katrina.

I believe we must work together to realign priorities so they reflect those of the American people. Working together, we can do better. I strongly urge my colleagues to vote against this misguided bill.

Mr. REED. Mr. President, I strongly oppose the so-called Deficit Reduction Omnibus Reconciliation Act of 2005. This reconciliation bill and the administration's budget are fiscally irresponsible and reflect misguided priorities. As a matter of fact, the reconciliation bill at the end of the day will further increase the deficit by more than \$35 billion over the next 5 years.

In 2 weeks, both the Senate Finance and the House Ways and Means Committees are expected to report a second reconciliation bill that will cut taxes by \$70 billion. This \$70 billion reduction in tax revenue will more than eliminate the effect of the cuts to critical programs in the reconciliation bill that we are considering this week. With the enactment of two reconciliation bills, there is a real effort by this administration and the majority to perform a bait and switch on the American people.

Significant portions of the reduction that are achieved in this reconciliation bill are achieved by cuts in programs on which low- and moderate-income Americans rely. The Senate reconciliation package includes a total of \$39.1 billion in spending cuts over 5 years, of which \$10 billion will come from Medicaid and Medicare. The House reconciliation package could have cuts as high as \$50 billion over the same period, with \$9.5 billion coming out of Medicaid.

In contrast, the benefits of the second reconciliation bill that this body will soon undertake will go overwhelmingly to high-income individuals. The tax reconciliation bill is expected to extend many provisions from the 2003 tax cut that expire in 2008 to 2010 that

lower the rate on dividend income and capital gains. Just extending these provisions through 2010 is likely to cost nearly \$23 billion.

The bill before us today includes a series of spending reductions that target pharmaceutical pricing and reimbursement, curtail the definition of 'targeted case management' under Medicaid, and eliminate the 'HMO slush fund' under the Medicare Modernization Act of 2003 and the Federal Housing Administration's affordable housing preservation programs. A provision to update reimbursements for doctors will have a direct impact on seniors in the form of higher Medicare part B premiums.

Republicans have tried to disguise these cuts by restoring funding for the State Health Insurance Program SCHIP for States such as Rhode Island, allowing parents of severely disabled children to 'buy-into' Medicaid, and by increasing student financial aid.

Meanwhile, the House reconciliation bill is truly an even worse deal for low-income and vulnerable Americans, as it would impose new copayments on Medicaid beneficiaries and allow States to scale back coverage. It also would tighten rules designed to limit the ability of elderly people to shed assets in order to qualify for nursing home care. And, for the first time, people with home equity of \$500,000 would be ineligible for nursing home care under Medicaid.

The House bill also includes \$844 million in cuts to food stamps, overturns a critical court ruling, *Rosales v. Thompson*, which allows for Federal support of abused and neglected children in foster care who reside with family members, weakens States' ability to establish and enforce child support orders, and raises interest rates and fees that students pay on their college loans.

The House package takes almost \$20 billion out of child support and student loans alone, compounding the effect on struggling working families.

I commend Chairman GRASSLEY and the rest of the Finance Committee for their diligence in attempting to craft a reconciliation measure that would not directly impact Medicaid beneficiaries. By contrast, the House, targeted beneficiaries through increased Medicaid cost sharing among other program changes.

In an effort to further minimize the impact of the reconciliation bill on these populations, I offered two amendments. The first amendment would restore Targeted Case Management services, TCM, to assist eligible high-need Medicaid beneficiary groups, such as children in foster care, children and adults with HIV/AIDS, children with developmental disabilities and mental retardation, individuals with substance abuse disorders and mental illness, and at-risk tribal populations, access to needed medical, social, educational, and other services. States have flexibility whether to offer TCM services

and which population to cover, and, nearly every state now offers TCM services. We should not jeopardize an essential bridge to services for these populations.

By focusing cuts on Medicaid and other essential Federal programs, the reconciliation package will most harshly impact those who cannot advocate for themselves—abused and neglected children in foster care, at-risk youth, single parents, the disabled, persons with mental illness, and vulnerable elderly.

I understand that the intent of the TCM provision was to codify a HHS policy from January 2001. Again, I applaud the Chairman for attempting to clarify this provision, however, I am deeply concerned that the provision, when implemented, will severely restrict the providers' ability to serve our most vulnerable Medicaid beneficiaries.

The second amendment would strike the Banking Committee's portion of the reconciliation bill that eliminates the ability of HUD to use the FHA General Insurance Fund to provide grants to help preserve FHA-foreclosed multifamily properties as affordable housing. Given the current affordable housing crises in our country, the grants are more important than ever and should be maintained. I am disappointed that these and other amendments that would have addressed many of the deficiencies of the bill failed.

One such amendment was Senator CANTWELL's amendment to protect the Arctic National Wildlife Refuge from drilling. Earlier this year, the Senate Budget Committee included in the fiscal year 2006 budget resolution provisions that paved the way to arctic drilling. Senator CANTWELL offered an amendment to strike language authorizing arctic drilling from the reconciliation bill, which would undo this exploitation of the budget process and permit an open debate of the issue. Unfortunately, her amendment failed. The bill not only opens up the Arctic to oil and gas development, but does so in a way that does not accord this pristine wilderness protection under existing mineral leasing laws and regulations, existing environmental protections, and existing rules of administrative procedure and judicial review. In short, it affords the Arctic Refuge less protection than current law affords other refuge or public land that is open to oil and gas development. Drilling in the Arctic will not help us address our nation's energy problems. It is yet another giveaway to big oil companies.

The reconciliation bill also includes a provision that would extend agricultural commodity payments until 2011. Extending existing subsidy programs will continue policies that are bad for the environment. While the bill extends the life of subsidy programs and three conservation programs until 2011, it does not extend the life of four other conservation programs past 2007. These programs, which restore wetlands,